

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 96-232-W - ORDER NO. 98-187

MARCH 11, 1998

IN RE: Concerned Citizens Against Carolina)	ORDER
Water, Inc.,)	APPROVING
)	SETTLEMENT
Complainant,)	AGREEMENT AND
)	CLOSING DOCKET
vs.)	
)	
Carolina Water Service, Inc.,)	
)	
Respondent.)	
)	
_____)	

This matter comes before the Public Service Commission of South Carolina (the Commission) for consideration of a proposed settlement agreement between the Commission and Carolina Water Service, Inc. (CWS or the Company), which if accepted, would end the existing controversies in Circuit Court Docket Nos. 97-CP-32-1540 and 97-CP-40-1432.

The terms and conditions of the settlement agreement, in summary, are as follows. First, the Commission will withdraw its Supreme Court appeal of Circuit Judge Keesley's November 12, 1997 order in Docket No. 97-CP-32-1540. Judge Keesley's Order will go into effect, and, with one exception, Judge Keesley's Order and the Company's authorized rated schedule will govern the terms and conditions of the Company's interconnection with the City of West Columbia and the provision of

bulk water to customers in the Company's I-20 service area (i.e., only those customers within the ambit of Commission Order Nos. 97-38 and 97-192 in Docket No. 97-232-W). The exception and/or modification mentioned above is that, for a period of one year after interconnection with the City of West Columbia is achieved and bulk service initiated, the Company's customers in the I-20 service area will experience no increase in the combined water service rates per 1,000 gallons supplied. To accomplish this, the Company, for that one year period, will waive the provisions of its rate schedule which provide for a complete passthrough to these customers of bulk water charges to the extent of 51 cents per 1,000 gallons of bulk water supplied. After the one year period has expired, the Company will implement the full passthrough to these customers as authorized by the existing Company's rate schedule, without any further notice or action by the Commission. Second, the Commission will rescind Order Nos. 97-38 and 97-192 in Docket No. 96-232-W. The effect of this rescission will be that the Company's \$50,000 bond will no longer be deemed revoked by the Commission and the Company will not be required to post any additional bond. Third, CWS will dismiss its petition for judicial review of Commission Order Nos. 97-38 and 97-192 now pending before Judge Keesley in Lexington County under Civil Action No. 97-CP-40-1432.

We have examined the proposed settlement agreement, and we find it to be fair, and in the public interest. We approve the agreement as proposed. Under the agreement the citizens of the I-20 CWS service area will receive the benefits of water from the interconnection of CWS and West Columbia for a full year at no additional cost. We find that this will alleviate the deficiencies in quality and quantity of water seen in the area

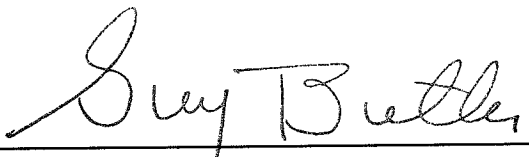
during past summers. After the one year period, we find that the resultant rate will be comparable to the rate for water furnished by CWS to its Lake Murray service area.

We instruct General Counsel to take any action necessary to place the agreement as stated into effect, including, but not limited to signing the letter from CWS counsel of March 4, 1998 embodying the agreement, and ending the Commission's appeal of Judge Keesley's Order at the Supreme Court. We also hereby rescind our Order Nos. 97-38 and 97-192 in Docket No. 96-232-W. The effect of this recession is that the Company's \$50,000 bond is no longer revoked, and no additional bond need be posted by CWS. The Company will accordingly take steps to end the Circuit Court appeal of these Orders. The Staff management audit of the Company previously ordered by us shall proceed at such time as may be scheduled by Staff.

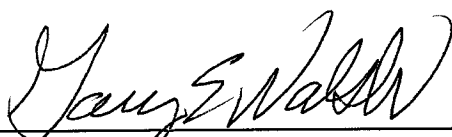
Since the various concerns in Commission Docket 97-232-W have now been rendered moot, we do now hold that this docket shall be closed.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Deputy Executive Director
(SEAL)